

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JUNE 9, 2022

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APPLICATION OF

ATMOS ENERGY CORPORATION

CASE NO. PUR-2022-00085

For approval of a 2022 SAVE Rider
Projected Factor and True-Up Factor

ORDER FOR NOTICE AND COMMENT

On May 31, 2022, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised Infrastructure Replacement Current Rate ("Projected Factor") in addition to an Infrastructure Replacement Reconciliation Rate ("True-up Factor") under the Company's Commission-approved Steps to Advance Virginia's Energy Plan ("SAVE Plan").¹ Pursuant to Code § 56-604 (E), the Commission must approve or deny the Application within 90 days of filing.

The Company's total proposed SAVE Plan investment for fiscal year 2023 is approximately \$4,677,712.² Based on the proposed SAVE investment for fiscal year 2023, Atmos requests a Projected Factor revenue requirement of \$1,190,823.³ A proposed True-up Factor Revenue Requirement of \$738⁴ increases the overall 2022 SAVE Factor Revenue

¹ The Company's SAVE Rider was most recently updated in 2021. *See Application of Atmos Energy Corporation, For approval of a 2021 SAVE Rider Projected Factor*, Case No. PUR-2021-00121, Doc. Con. Cen. No. 210830185, Order Approving SAVE Rider (Aug. 23, 2021). *See also Application of Atmos Energy Corporation, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, PUR-2019-00054, 2019 S.C.C. Ann. Rept. 411, Order Approving SAVE Plan and Rider (Sept. 24, 2019).

² Application, Schedule 12b at 2.

³ *Id.* at Schedule I.

⁴ *Id.*

Requirement to \$1,191,561.⁵ The Company proposes that the SAVE Rider rate become effective with the first billing cycle in October 2022.⁶ As proposed, the combined 2022 SAVE Rider Rate for residential customers will be \$1.46 per month,⁷ an increase of \$0.59 over the current rate of \$0.87 for such customers.⁸

NOW THE COMMISSION, having considered the Company's Application and the applicable law, is of the opinion and finds that this matter should be docketed; that Atmos should provide public notice of its Application; that interested persons should be afforded an opportunity to file comments on the Company's Application and request a hearing; and that the Commission's Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations ("Staff Report").

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.⁹

⁵ *Id.*

⁶ *Id.* at 4.

⁷ *Id.* at Schedule 17a.

⁸ *Application of Atmos Energy Corporation, For approval of a 2020 SAVE Rider Projected Factor*, Case No. PUR-2021-00121, Doc. Con. Cen. No. 210910072, Revised Tariff Sheets at Schedule 17a (Sept. 1, 2021).

⁹ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

Consistent with these actions, the Commission will, among other things, direct the electronic filing of pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the proposed Application, if approved, would result in an increase to customer bills. We realize that the ongoing COVID-19 public health issues have caused devastating economic effects that impact all utility customers. We have responded to this economic emergency by, among other actions, directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnection. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2022-00085.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹⁰

¹⁰ As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that may arise in this proceeding.

(5) On or before June 29, 2022, Atmos shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
ATMOS ENERGY CORPORATION
FOR APPROVAL OF
A 2022 SAVE RIDER PROJECTED FACTOR
AND TRUE-UP FACTOR
CASE NO. PUR-2022-00085

On May 31, 2022, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised Infrastructure Replacement Current Rate ("Projected Factor") in addition to an Infrastructure Replacement Reconciliation Rate ("True-up Factor") under the Company's Commission-approved Steps to Advance Virginia's Energy Plan ("SAVE Plan"). Pursuant to Code § 56-604 (E), the Commission must approve or deny the Application within 90 days of filing.

The Company's total proposed SAVE Plan investment for fiscal year 2023 is approximately \$4,677,712. Based on the proposed SAVE investment for fiscal year 2023, Atmos requests a

Projected Factor revenue requirement of \$1,190,823. A proposed True-up Factor Revenue Requirement of \$738 increases the overall 2022 SAVE Factor Revenue Requirement to \$1,191,561. The Company proposes that the SAVE Rider rate become effective with the first billing cycle in October 2022. As proposed, the combined 2022 SAVE Rider Rate for residential customers will be \$1.46 per month, an increase of \$0.59 over the current rate of \$0.87 for such customers.

Further details are set forth in the Company's Application and supporting exhibits, and interested persons are encouraged to review these documents. While the total revenue requirement that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Timothy E. Biller, Esquire, Hunton Andrews Kurth, LLP, 951 East Byrd Street, Richmond, Virginia 23219, or tbiller@huntonAK.com.

On or before July 15, 2022, any interested person may file comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00085.

On or before July 15, 2022, any interested person or entity may participate as a respondent in this proceeding by filing, with the Clerk of the Commission, at the address set forth above or at scc.virginia.gov/clk/efiling/, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to 5 VAC 5 20 80 B, Participation as a respondent, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, Counsel, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00085.

On or before July 15, 2022, any interested person or entity may file, with the Clerk of the Commission, at the address set forth above or at scc.virginia.gov/clk/efiling/, a request that the Commission convene a hearing on the Company's Application. Requests for hearing must include the email address of the filer or its counsel, along with: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why the issues raised in the request for hearing cannot be addressed adequately without a hearing. All such filings shall refer to Case No. PUR-2022-00085.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the

Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice. The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: scc.virginia.gov/pages/Case-Information.

ATMOS ENERGY CORPORATION

(6) On or before June 29, 2022, Atmos shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(7) On or before July 15, 2022, Atmos shall file proof of the notice and service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219, or tbiller@huntonAK.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(9) On or before July 15, 2022, any interested person may file comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the

Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

All comments shall refer to Case No. PUR-2022-00085.

(10) On or before July 15, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a notice of participation by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (9). Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00085.

(11) On or before July 15, 2022, any interested person or entity may file a request for a hearing with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (9). Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why the issues raised in the request for hearing

cannot be addressed adequately without a hearing. All such filings shall refer to Case No. PUR-2022-00085.

(12) A copy of any request for hearing and any notice of participation simultaneously shall be sent to counsel for the Company, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219, or tbiller@huntonAK.com.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Application on the respondent.

(14) The Staff shall investigate the Application. On or before July 27, 2022, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and shall promptly serve a copy of the same on counsel to the Company and all respondents.

(15) On or before August 3, 2022, Atmos may file with the Clerk of the Commission any response to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding.

(16) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within four (4) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be

served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.¹¹ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to:
Timothy E. Biller, Esquire, Hunton Andrews Kurth, LLP, 951 East Byrd Street, Richmond,
Virginia 23219, tbiller@huntonAK.com; and C. Meade Browder, Jr., Senior Assistant Attorney
General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th
Floor, Richmond, Virginia 23219, mbrowder@oag.state.va.us.

¹¹ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00085 in the appropriate box.